elections for Congress and State and local offices all across this country in November 1996.

Then, I think U.S. News and other periodicals will write another headline, another cover page. I have a hunch I know what that cover page will be. I hope to come on the floor with a broad smile and say that happy days are here again and the vision and the hope and the dreams of Democrats for a better America will be realized again and again and again in the future.

I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BENNETT). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I ask unanimous consent I be allowed to proceed for up for 25 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECONCILIATION

Mr. GRAHAM. Mr. President, on Friday of last week and again yesterday, I began a series of talks on the Medicaid Program. In my first discussion, I pointed out to the successes of Medicaid —successes at reducing infant mortality by 21 percent in this Nation between 1984 and 1992.

Yesterday, I discussed trends that have led to the growth in Medicaid spending. These included: demographic changes, including the fact that our population is living longer and that this greater longevity means more people are relying on Medicaid for longer periods; problematic changes that have expanded coverage to combat infant mortality among our Nation's children and to provide long-term care for our Nation's frail elderly and disabled; and the loss of private-sector health insurance, the fact that a shrinking percentage of America's children are insured through their parents' employer.

This last point, Mr. President, was reaffirmed in today's Journal of the American Medical Association, which says that 3 million children lost private health insurance between 1992 and 1993.

Mr. President, I ask unanimous consent that today's article in the Washington Post, entitled ''Medicaid's Safety Net for Children Could Be Imperiled,'' be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRAHAM. These, Mr. President, are major factors that have contributed and will contribute to Medicaid growth.

Today, I want to talk about the policies of the Senate which have been adopted for the future of Medicaid.

Mr. President, Halloween came early this year. In the dark of night, immediately prior to the passage of the Budget Reconciliation Act on the Friday before Halloween, the Medicaid formula was written by the architects on the reconciliation package.

Amazingly, the rewritten, revised Senate bill handed out treats—treats in the form of $10.2 billion mainly to States that were the prime abusers of Medicaid disproportionate share hospital funds in recent years. The Senate is preparing to reward States that have manipulated the Medicaid system by making permanent their past misdeeds.

How did the authors of this amendment pay for these treats dished out on the Friday night before Halloween? They imposed trickery on the elderly by raiding $12 billion from the Social Security trust fund.

What are these Medicaid misdeeds that are about to be rewarded and made permanent? They are what is referred to in Medicaid as the disproportionate share hospital program, known as DSH.

What is disproportionate share? The intent of the disproportionate share hospital payments originally enacted in 1981 is to assist hospitals that treat high volumes of Medicaid and low-income uninsured patients with special needs. Recognizing that these hospitals would have a small private insured patient base with which to recover funding for the cost of treating these uninsured, Congress intended that these disproportionate share hospitals receive payments to supplement their other Medicaid payments.

In fiscal year 1989, Federal funding for Medicaid DSH payments was just $400 million.

However, in coming up with their share of those funds, some States begin to see the huge potential in the use of donations and provider tax revenue as the State share of Medicaid expenditures.

Provider taxes and donations allowed States to draw down Federal Medicaid funds while backing out of providing their State matching share and sometimes effectively pocketing the Federal share of money meant for disproportionate share hospitals.

The original good intention, to meet the special need of hospitals, was creatively abused by States across the Nation.

Abuse was so great that, between fiscal year 1989 and fiscal year 1993, Federal spending for Medicaid disproportionate share hospital payments grew, if you can believe this, from $400 million in 1989 to $14.4 billion in 1993, a 3600-percent increase.

By 1993, DSH payments amounted to one-of-every-seven Medicaid dollars.

According to the Kaiser Commission on the Future of Medicaid, DSH payments were roughly equal to the sum of Medicaid spending for all physician, laboratory, x ray, outpatient, and clinic services that year.

In Alabama, Connecticut, Louisiana, Maine, Missouri, New Hampshire, and South Carolina, Medicaid disproportionate share hospital payments actually exceeded regular Medicaid payments for inpatient hospital services.

This rapid growth, a 3,600-percent increase in just 4 years, was a major factor in the overall Medicaid growth from 1989 to 1993.

I discussed that issue in more detail in my remarks delivered yesterday.

The Urban Institute, in a 1994 publication, estimated that between 1990 and 1991, DSH payments accounted for 20 percent of all Medicaid spending growth. In that 1-year period, DSH payments were 20 percent. But, between 1991 and 1992, DSH payments were responsible for 51 percent of Medicaid spending growth.

How did this occur? According to the Health and Human Services Inspector General Richard Kusserow, who served during the administration of President Bush, in a report dated July 25, 1991:

> The growing popularity of provider [tax and donation] programs, in our opinion, is due to States' awareness that a window of opportunity exists for them to alleviate their own budget programs to the expense of the Federal Government.
>
> States are fully aware that they had better take advantage of this opportunity while it exists.
>
> One State official went so far to say that ''State officials might be regarded as derelict if they did not take advantage of the Federal law.''

Incredibly, this occurred in a manner that, although named the disproportionate share hospital program, provided some heavily impacted Medicaid hospitals with little or no benefit.

This and other types of scams by States were detailed by the Prospective Payment Assessment Commission in a report requested by Congress and completed on January 1, 1994.

As the Commission noted,

> Although State Medicaid programs reported spending $20 billion more in fiscal year 1992 than in fiscal year 1990 for inpatient services in short-term hospitals, these hospitals received substantially less than a $20 billion increase in Medicaid revenue. Part of this discrepancy is attributable to situations in which state Medicaid programs allocate DSH payments to hospitals that never actually received or controlled the payment as revenue.

In an April 1995 report, the General Accounting Office noted that States often churned or even laundered Federal Medicaid dollars through State hospitals.

The GAO report said:

> State hospitals received $4.8 billion in DSH payments. However, hospital officials indicated that only a small share of the gains were actually retained and available to pay for health care services, such as uncompensated care. Instead, most of the gains were transferred back to state general revenue accounts.

In sum, paper transactions without paper money.

In fact, researchers at the Urban Institute concluded that:

> [A] high share of the funds are being diverted from direct health care to general

state coffers. It is reasonable to ask if Medicaid is an appropriate vehicle for general revenue sharing between the Federal Government and the States.

In reviewing such scams, analysts at the Health Care Financing Administration have estimated that the actual Federal share of Medicaid funds in 1993 was 64.5 percent instead of the reported 57.3 percent, primarily because of the manipulation of the DSH Program.

Good news: As a result of these scams, illusory tactics, and raids on the Federal treasury, Congress enacted legislation in 1991 and again in 1993 to create State-specific ceiling limits on each State's spending for DSH payment adjustments to 12 percent of the State's total Medicaid spending for the year. That is, no State could have more than 12 percent of its total Medicaid in the category of disproportionate share hospitals.

This limit, combined with other changes to the amount of money a single hospital can receive and the definition of what constitutes a provider tax, have been effective at controlling these costs.

In fact, the 20 States that have 12 percent of their overall Medicaid spending in DSH payments are capped at the absolute dollars they received in 1993.

For example, New Hampshire, which has over 50 percent of its entire Medicaid Program budget included in disproportionate share payments, is capped at a Federal disproportionate share payment of $196 million.

As a result, according to CBO estimates, Federal Medicaid DSH payments increased slightly from $9.6 billion in 1993 to $9.8 billion in 1994.

In fiscal year 1995, CBO projects that Federal DSH spending to drop to $8.5 billion, then increase by approximately half a billion dollars annually over the next 5 years. That is the good news. The Congress saw the problem. Congress acted. The actions tended to suture the hemorrhage.

Now the bad news. Incredibly, Congress is prepared to reward and make permanent the raids made on the Federal treasury in the past.

How was this done?

This was accomplished in the dead of night on the Friday before Halloween in an amendment that trimmed the Federal reduction in Medicaid from $187 billion to $176 billion.

Some of the winners and losers are well known by now.

Approximately $11.2 billion in additional Medicaid dollars will be distributed to States with two Republican Senators over the next 7 years, in the Senate proposal, while States with two Democratic Senators will lose an additional $3.6 billion. That has been well reported.

Less well known is the fact that States which have excessive Medicaid disproportionate share programs in the past are also the big winners.

New Hampshire and Louisiana, the most renowned examples of excess, have special fixes in the Senate bill which allows those two States to not have to fully match the Federal funding they will receive over the next few years.

Meanwhile, nine other States—Texas, Missouri, Connecticut, Kansas, Alabama, New Jersey, South Carolina, Tennessee, and Michigan—all which have disproportionate share programs that far exceed the national average and some that have been well documented as having schemed the Federal treasury in the past, those nine States will receive $14.8 billion in increased Medicaid funding over the next 7 years as a result of the late Friday evening deal, that currently would cap these ''high-DSH'' States' programs.

The Senate Finance Committee bill would have cut off excessive disproportionate share payments above 9 percent of overall Medicaid Program costs.

That was the bill that we had on the floor on that Friday before the late night raid which eliminated that constraint on the use of disproportionate share, and resulted in $14.8 billion flowing to those States that had been the primary abusers of the disproportionate share program.

However, the late evening deal would allow these States to not only keep what they had in the past and make it permanent, but would also allow them to increase that money annually, based on the larger base year funding which the inclusion of their full disproportionate share amounts allowed them to have. Thus, the $14.8 billion windfall for nine high DSH States.

The rest of the Nation's States—mostly low-DSH States—will lose another $3.6 billion from an amendment that added $10.2 billion to the Medicaid Program.

This is a perverse Washington logic where spending is saving—where bad is good—and locking in the past is heralded as reform.

But rewarding some States that had abused the disproportionate share of the hospital program was not enough bad policy for one night. The Friday night raid went on. The Senate made it worse by paying for these supplemental Medicaid allocations through mandating a 2.6 percent cost-of-living adjustment for 1996.

Mr. President, I ask unanimous consent that a Washington Post editorial on this subject entitled ''Medipork'' printed on November 6 be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. GRAHAM. Mr. President, under the Roth amendment that we adopted on that Friday night before Halloween, the money to fund the additional payments, largely to the States which had previously abused the Medicaid system, this money was found when the Government declared that the cost-of-living adjustment for 1996 would be 2.6 percent, which was lower than the 3.1 percent projected when the budget bills began moving through Congress last spring.

The result of the lower cost-of-living factor, said proponents, would be lower outlays for programs tied to the Consumer Price Index such as Social Security.

Mr. President, at first glance that sounds reasonable. Upon closer inspection, however, the logic fails, and it becomes clear that we have two choices. Either the funding is phony, nonexistent and, therefore, contributes to an additional deficit by spending funds without an equivalent additional source of revenue or—what I am afraid is the more likely alternative—a raid on the Social Security trust fund.

In order to understand this, I want to briefly discuss how the Federal budget is scored.

In March of this year, the Congress established an economic baseline. This baseline forecasts the level of Federal revenues and expenditures for the next 7 years predicated on current law and current and projected economic data. In making these economic projections, the Congressional Budget Office makes assumptions regarding a number of factors. The factors that are included in the assessment of the economic baseline include inflation, interest rates, number of qualified beneficiaries for the principal programs such as the number of beneficiaries for Social Security, the gross domestic product, revenues, and court decisions that might affect Federal policy.

Those are some of the factors which are included in arriving at the economic baseline.

From that baseline, the Congressional Budget Office can estimate the impact that changes in law will have on Federal revenues or expenditures.

Almost 8 months have passed since the economic baseline was established. Some of the assumptions turned out to be too high; others too low. For example, inflation has been lower than expected. The gross domestic product has been slightly higher than expected. Interest rates have been higher than projected. Obviously, if the economic baseline was updated to reflect actual experience in the last 8 months, we would obtain a more accurate picture of our Federal income statement and balance sheet for the next 7 years.

Mr. President, that was not what was done. Instead, we reached in and took just one economic factor—the fact that the Consumer Price Index increased only 2.6 percent and we require that legislation follow this monofactor directive. The Congressional Budget Office says it does not update its economic baseline unless it takes into account all economic and other factors—not just one.

The reason? If it could pick and choose, then Congress would cherry pick the positive economic changes and ignore the negatives. The result would be a budget deficit much greater than anticipated because we had predicated

our economic actions on unsound assumptions because the only economic changes unclaimed would be those generating higher outlays and lower revenues than expected.

In fact, if on October 27 the Congressional Budget Office had taken all economic factors into account—gross domestic product, interest rate, court decisions affecting Federal obligations and inflation—the deficit in the year 2002 would have been higher than anticipated last March. We would not have had a $12 billion false figure to use to finance additional Medicaid payments. We would actually have had to find additional revenue because, taking into account all of those factors, the Congressional Budget Office would have said our deficit had grown—not diminished—since March.

In other words, while the 1996 cost-of-living will be 2.6 percent rather than 3.1 percent resulting in $13 billion in lower outlays, this will be more than offset by other factors, such as higher interest rates, that increase outlays or decrease revenues.

That is why some would say that the Senate's financing of the additional Medicaid funds is phony. That is why I asked Senator DOMENICI on the floor whether these savings were real or not. He responded, ''they are real dollars.'' And I assume that the Republicans intended that they use real money to finance their changes and to finance the additional spending through Medicaid.

So assuming that these funds are not phony, where does this money come from? Let us look at the language of the Roth amendment which was adopted on that Friday night.

Notwithstanding any other provision of law, in the case of any program within the jurisdiction of the Committee on Finance of the United States Senate which is adjusted for any increase in the consumer price index for all urban wage earners and clerical workers (CPI-W) for United States city average for all items, any such adjustment which takes effect during fiscal year 1996 shall be equal to 2.6 percent.

Mr. President, this clearly specifies that the money comes from programs or outlays. Exactly what outlay programs are we talking about? Are we talking about the Pentagon, the Department of Defense outlays? No. Those are not under the jurisdiction of the Finance Committee. Are we talking about funding for roads and bridges? Are we talking about funding for foreign aid? No. Those programs are not under the jurisdiction of the Finance Committee. Just what outlays are within the jurisdiction of the Finance Committee?

There happen to be a number of those programs. But I am afraid that I must report that the overwhelming majority of dollars in those programs—$12 billion of the $13 billion removed—is Social Security.

So the only conclusion is that the Senate has taken $12 billion from the Social Security trust fund to pay for more Medicaid allocations to a selected few States—States which in large numbers had been those that had abused the Medicaid system in the past.

How can that be, you ask? How can a half of 1-percent reduction in the CPI constitute a raid on the Social Security trust fund? Let us look more closely still.

The Roth amendment takes into account only outlays impacted by the lower 2.6 percent cost-of-living adjustment. But there are other ramifications of the lower cost of living. For example, many workers' salaries are tied to the Consumer Price Index, and if those salaries only rise by 2.6 percent rather than the previous estimated 3.1 percent, then what happens to payroll? What happens to payroll taxes? They are both lower, and, therefore, less money will flow into the Social Security trust fund than would have flowed had the cost of living been at the earlier projected 3.1 percent.

The correct question is not how will a lower cost of living impact Social Security outlays. The proper question is what is the net effect of all of the economic changes this year to the Social Security trust fund?

The answer has two components: outlays, expenditures, and revenues.

The Social Security outlays will be reduced by a total of $18 billion—$12 billion from the COLA reduction, the 2.6 percent, and $6 billion from other changes.

But the economic data accumulated since March also will affect revenues going into the Social Security trust fund, and according to the Congressional Budget Office updating the economic baseline will result in a $62 billion decrease—decrease—in Social Security trust fund revenues over the next 7 years.

Accordingly, the net effect to the Social Security trust fund of revising congressional economic estimates is not to increase the size of the trust fund but, rather, to decrease it by $44 billion.

So if we want to face economic reality, the Social Security trust fund will have $44 billion less in it than our budget assumes. And while the Social Security trust fund is losing $44 billion as a result of economic changes since March, the Senate has approved diverting an additional $12 billion from the Social Security trust fund.

It is difficult for me to believe that this Senate actually wants to raid the Social Security trust fund to pay for anything. Just yesterday, House Republicans were threatening to attach provisions to a limited debt ceiling extension that would have had the effect of precluding the Secretary of the Treasury from utilizing Social Security trust funds for anything other than Social Security obligations.

I am afraid this sounds like selective enforcement.

It is ironic that the House Republicans would be so concerned about the Social Security trust fund that they would tie Secretary of the Treasury Rubin's hands to preclude him from even borrowing from the trust fund, but at the same time the Senate Republicans seem quite willing to raid the Social Security trust fund to finance additional Medicaid allocations.

We cannot have it both ways. If the reduction in the cost of living is not a real cut in spending but merely reflecting reality, then it does not represent savings and should not qualify to offset real new Medicaid spending. If, however, the reduction in the cost of living is real, then it constitutes a diversion of funds from the Social Security trust fund.

Either conclusion justifies jettisoning this midnight amendment that changed the Medicaid funding formula, rewarding the States that abused the disproportionate share hospital program.

Mr. President, I conclude by saying we should look instead for an alternative allocation solution, and I will present that alternative solution tomorrow and urge careful consideration of a better way to achieve our goal of fiscal responsibility and fairness.

Thank you, Mr. President.

EXHIBIT 1

[From the Washington Post, Nov. 7, 1995]

MEDICAID'S SAFETY NET FOR CHILDREN COULD BE IMPERILED, REPORTS WARN

CHANGES MAY CUT COVERAGE TO SOME IF PARENTS LOSE PRIVATE INSURANCE

(By Spencer Rich)

For years Medicaid has picked up the slack when children lost health insurance based on changes in their parents' employment situation, but that safety net could be weakened substantially by Medicaid changes moving rapidly through Congress, according to today's Journal of the American Medical Association.

The result could be highly damaging to the health of children and also could eventually increase health costs per child, according to articles in the association journal.

''From 1992 to 1993 an estimated 3 million children lost private health insurance'' as people lost jobs or employers stopped providing health insurance, Paul Newacheck of the University of California and five co-authors said in one journal article.

But until now, increases in Medicaid coverage, resulting from past legislation that broadened eligibility and from more people sinking into poverty and becoming eligible, ''largely offset the changes that occurred in private health insurance coverage,'' the authors said.

Statistics developed by the Urban Institute for the Kaiser Commission on Medicaid support this assertion. In 1988, 66 percent of all children under age 18 had health insurance based on the employment of a family member, and 16 percent were covered by Medicaid. But in 1994, the share with employer-based insurance had dropped to 59 percent and the Medicaid percent had jumped to 26 percent.

However, now that situation is about to end as Republican-sponsored Medicaid changes already approved by both chambers of Congress in different form impose a ''cap'' that would cut the growth of program spending from about 10 percent a year to 4 percent, and give states far more latitude than now in deciding whom to cover, Newacheck and his co-authors said.

''If federal spending is capped as proposed,'' they said, ''states, at a minimum, will have to reduce the scope of their existing Medicaid program'' and will be unable to keep

picking up children who have lost employer-based coverage.

Passage of the Medicaid proposals, said physician Stephen Berman in an editorial, would ''reduce the capacity of the public sector to absorb the increasing number of children losing private insurance [and] would swell the number of uninsured children.'' The impact of gaps in health insurance for children was sketched out in a third journal article, written by Michael D. Kogan of the Centers for Disease Control and Prevention and six others.

The article did not address the current legislative proposals but reported on a nationally representative sample of 8,129 children whose mothers were interviewed in 1991 when the children were about 3 years old.

Based on the survey, the article said, ''About one-quarter of U.S. children (22.6 percent) were without health insurance for at least one month during their first three years of life. Over half of these children had a health insurance gap of more than six months.''

About 40 percent of the children, estimated conservatively, did not receive care continuously at a single site—for example, the office of a family doctor—and breaks in insurance coverage are often the cause of sporadic medical care at this critical stage of physical development.

''Children are in particular need of primary care providers who can track developmental milestones, assure the maintenance of immunization and other health maintenance schedules, monitor abnormal conditions and serve as the first contact of care,'' wrote Kogan and his co-authors, especially in finding and treating ''emerging disabilities, chronic illnesses or birth defects'' and in providing preventive care.

''A schedule of routine primary care is much easier and usually more cost-effective when these activities are carried out in an organized manner over time with successive office visits at the same site,'' they said.

Berman said, ''Having a regular source of care has been shown to reduce child expenditures by 21.7 percent compared with not having a regular source of care.''

EXHIBIT 2

[From the Washington Post, Nov. 6, 1995]

MEDIPORK

When the current Congress set out on the path of turning the major programs for the poor into block grants, Sen. Daniel P. Moynihan (D-N.Y.) issued an interesting warning. Once Washington gives up on making policy and instead just ships off billions and billions to state governments, he said, politics will turn away from substance and instead become one big formula fight as states and regions battle over who will get the biggest pots of cash.

His prediction has become fact, as a report in The Post by Judith Havermann and Helen Dewar documented last week. In the scramble to pass their budget, Republican leaders in the Senate found they had to pass around billions of extra dollars in Medicaid payments to states to buy the votes of—pardon us, we mean secure the support of—Republican senators. It seems that many senators are worried about the impact of the Medicaid proposal on their state budgets.

They should be. The pressure this budget puts on the program that serves the poor and many among the elderly and the disabled is simply too much. Facing potential rebellion, the leadership kept rejiggering the formula to please wavering senators. And given that the leadership knew it would have to find votes for its budget from Republican senators, guess what? The increases largely went to states represented by Republicans. The cuts were mostly reallocated to states with Democratic senators whose votes the leadership knew it couldn't win anyway.

Thus, an analysis by Sen. Bob Graham (D-Fla.) found that states with two Democratic senators lost a net of $3.6 billion in the Medicaid reshuffling; states with two Republican senators gained $11.2 billion. Texas alone (with two Republican senators) gained about $5 billion; California (represented by two Democrats) lost $4 billion.

Ginny Koops, a Senate Finance Committee aide, had it about right when she said: ''This formula will be redone again in conference and again and again. It is just incredibly difficult to come up with something that makes 5 states happy; somebody always complains.''

Ms. Koops' comment goes to the heart of what's wrong with his whole Medicaid approach: Of course many will keep complaining about the formulas of a so-called reform that dumps upon the states the responsibilities of running Medicaid and then asks them do do that job with huge cuts in the rate of expected growth in the program.

Medicaid costs do need to be contained; the Republicans are right about that part. But this budget's approach to Medicaid will not only keep producing comical mathematical games; it will also cause real harm to the states and to the medical care of many among the most vulnerable Americans.

GREAT FALLS CHURCH DESECRATION

Mr. BAUCUS. Mr. President, last weekend, somebody in Great Falls, MT, spray painted satanic icons and racist slogans on the walls of the Mount Olive Christian Fellowship. The congregation of Mount Olive is mostly African-American, and they were the direct target of this perverted mind. But this attack really was on the whole community, and I am very proud to say that the whole community responded.

I congratulate and thank all of the 200 citizens of Great Falls, MT, who came to the church on Monday to show their support for the Reverend Phillip Caldwell. Members of the congregation, city manager Lawton, our State Representative Deb Kottel, and many others turned out. I am proud of them, and like the vast majority of Montanans, I am with them in our State's fight against hate groups. On my next visit to Montana, I hope to attend services at Mount Olive.

The desecration of Mount Olive is a sickening event and one which shows that as a State and a country, we still have a long way to go in our fight against hate. But its aftermath also shows us something else. Many Americans are concerned, and rightly so, about a decline of civic spirit, a growing indifference to our neighbors, and a general loss of moral values in our country.

However, the rally this Monday showed us that our courage, our willingness to meet our responsibilities as citizens, and our basic decency are stronger than the pessimists admit.

Thank you, Mr. President. I yield the floor.

MIKE WALLACE CAN DISH IT OUT BUT NOT TAKE IT

Mr. GORTON. Mr. President, for 27 years, Mike Wallace has been a hard-hitting, pull-no-punches investigative journalist primarily on ''60 Minutes.'' Relentless in pursuing a story, there are few tactics he will not employ—bullying, insults, confrontation, ambush journalism.

That is fine, because however you feel about Mr. Wallace, he works in America, and here in America the first amendment secures our right to free speech. We Americans can say or write just about anything we like, and, no matter how offensive it may be, how distasteful, repugnant, however uncomfortable it may be to others, we have the right to express our views. Mike Wallace has the inestimable privilege of expressing those views on network television to tens of millions of people.

I had been under the impression that, given his profession and his unorthodox modus operandi, Mr. Wallace was a first amendment advocate, but in today's Washington Post we find evidence that suggests the venerable Mr. Wallace has a peculiarly narrow devotion to free speech.

Yesterday, Marlin Fitzwater, a longtime spokesman for Presidents Reagan and Bush, was waiting to appear on the cable television show ''Politically Incorrect.'' Mr. Fitzwater has just published his memoirs of his time in the White House, and in that book he offers some mild criticism of both ''60 Minutes,'' calling it ''liberal'' and always framed in terms of ''good versus evil,'' and of Mr. Wallace himself. I quote:

> As a small boy . . . I would watch Mike Wallace . . . as he insulted his talk show guests, drove women to cry and performed his pioneering version of talk show extremism.

Mr. Fitzwater's book also mentions Mr. Wallace's son, ABC reporter Chris Wallace, criticizing the younger Wallace for his privileged background.

All this is prefatory to the main event. The studio in which the cable show ''Politically Incorrect'' is taped is located in the CBS building in New York. While Mr. Fitzwater was waiting to go on the air, Mr. Wallace called Mr. Fitzwater in the studio and began shouting at him and then swearing at him over his book. A few minutes later, the Post reports, Mr. Wallace stormed into the studio and continued with the shouting and swearing and obscenities. Mr. Fitzwater, wisely, I believe, and astounded, left the studio posthaste.

Now, as they say, Mr. President, what is the deal? What is going on? The Lexis-Nexis system would blow a fuse if you tried to reach all the times Mr. Wallace criticized others on the air. After all the years that he has been in this peculiarly tough field of journalism, you would think he would be accustomed to criticism. A few years ago, for example, ''60 Minutes'' ran a program on the pesticide Alar and helped